Procedures for Annual Adjustments
Howard County

Residential

Step 1:   The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. Due to number of sales we grouped all of the vacant land sales (Group L1)

Step 2:   After the land was updated, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. There was no change to the outbuildings of the parcel, just the dwelling. If there were not 5 sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor. For the residential improved we used sales from 01/01/2013 - 03/01/2014. Except for Union Township which we included sales from 01/01/2012. There was no time adjusted noted in the paired sales analysis.

Step 3:   The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

Step 1:   The C/I land values were trended by sales of vacant land within the neighborhood. Land values were established using the vacant land. Due to number of sales, we used sales from 01/01/2012 - 03/01/2014 in order to establish our values. We also grouped all of the townships together (Group L2).

The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.

Step 2:   After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the trending was expanded to county wide for commercial and industrial properties (Group C1). We used sales from 01/01/2013 - 03/01/2014.

For income producing properties, income data sheets were mailed out and GRM's or capitalization of income was used to assist in determining the values.

Step 3:   The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Due to using sales outside of the 14 month window, the sale prices were time adjusted by 0% annual. This was established by pair sales analysis.